



**NEW MEXICO ENERGY, MINERALS
& NATURAL RESOURCES DEPARTMENT**

1367
OIL CONSERVATION DIVISION
2040 South Pacheco Street
Santa Fe, New Mexico 87505
(505) 827-7131

October 27, 1999

Coleman Oil & Gas, Inc.
P.O. Drawer 3337
Farmington, New Mexico 87499

Attention: Gwen L. Alston

RE: C-142 Application for New Well Status
Eagles Com No. 1, API No. 30-045-05835

Dear Gwen Alston:

Division Rule 34, New Well Tax Incentive, states:

34.B. Definitions

“New well” means a crude oil or natural gas producing well for which drilling commenced after January 1, 1999 and before July 1, 2000, or a horizontal crude oil or natural gas well that was recompleted from a vertical well by drilling operations that commenced after January 1, 1999 and before July 1, 2000, that has been approved and certified as such by the Division.

Pursuant to Division Rule 34.B, vertical recompletions/reentries do not qualify as new wells, therefore your application is hereby denied.

If you have any questions, please contact me at (505) 827-8183.

Sincerely,

Mark Ashley
Petroleum Engineering Specialist